

Message Text

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61/11

ACTION EA-09

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(C O R R E C T E D C O P Y - REFERENCE (STATE 53351))

ERDA FOR N. SIEVERING, G. HELFRICH, V HIDGINS

E.O. 11652 GDS

TAGS: TECH, JA

SUBJ: JAPANESE SALE NUCLEAR EQUIPMENT TO USSR

REF:)1 STATE 53351, 2) TOKYO 2130

1. ON MARCH 4, PRIOR TO RECEIPT REF 1), SCIREP MET WITH DIRGEN MORI, ONE OF TWO JAPNESE WHO HAVE BEEN PRIMINARY PARTICIPANTS IN THE JAPANESE-USSR TALKS ON THE MANUFACTURE OF PWR COMPONENTS BY THE JAPANESE NUCLEAR INDUSTRY FOR THE USSR. THE OTHER HEAVIILY INVOLVED JAPANESE IS K Aidanren CHAIRMAN DOKO WHO WAS INITIAL CONTACT OF SOVIET AMBASSADOR TROYAN VSKY.

2. NORI REITERATED MUCH INFO IN REF 2), STATING, IN ADDITION, THA CURRENT PLAN IS TO SUPPLY THE EQUIPMENT FOR FOUR UNITS OVER A TWO YEAR PERIOD AS A START. THEEQUIPMENT LIST CONTAINS SEVENTEEN COMPONENTS OF WHICH MORI IDENTIFIED ONLY PUMPS, PRESSURE VESSELS, IHX'S AND CONTROL ROD DRIVE MECHANISMS (CDRM'S). THE SIX JAPANESE MANFACTJRESERS INVOLVED (HITACHI, TOSBIBA, MITSUBISHI HEAVY INDUSTRIES, ISHAKAWJIMA HARIMA HEAVY INDUSTRIES, FUJI ELECTRIC, AND JAPAN STEEL WORKS) ARE ANXIOUS

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INDUSTRIES, FUJI ELECTRIC, AND JAPAN STEEL WORKS) ARE ANXIOUS

TO PARTICIPATE IN THE SALE BECUASE TIMES ARE ELAN IN THE
NUCLEAR SUPPLIERS BUSINESS IN JAPAN.

3. MORI INDICATED BELEIF THAT TRANSFER OF TECHNOLOGY WOULD
MORE LIKELY GO FROM USSR TO JAPAN THAN OTHER WAY SINCE COM-
PONENTS AND EQUIPMENT WERE TO BE BUILT COMPLETELY TO SPECS
FURNISHED BY SOVIETS. (AS CONSEQUENCE, NO PERFORANCE GUAN-
ANTEES WOULD BE FORTHCOMING FROM JAPANESE.) SCIREP SUGGESTED
THAT SINCE THAT THE SOVIETS WERE BUILDING AND MARKETING
440 MWE NUCLEAR PLANTS THAT THE STEP UP TO 1000 MWE COMPONENTS
WAS PERHAPS MORE THAN THEY COULD HANDLE TECHNOLOGY, AND IN ADD-
ITION IT MAY WELL BE THAT THEIR 440 MWE SIZED COMPONENTS
COULD BE IMPROVED UPON. MORE STATED THATSOVIETS BUILDING THREE
1000 MWE SIZE PLANTS AND BLEIVED THE REASON THEY NEEDED
OUTSIDE HELP WAS BECAUSE OF THEIR OVERCOMMITMENTS. TO SOVIET
BLOC COUNTIRES TO SUPPLY THE SMALLER UNITS. SCIREP SUGGESTED
THAT EVEN WITH COMPLETE MATERIAL, EQUIMENT AND MANUFACTURING
SPECS, JAPAN MIGHT WELL BE ABLE TO SUPPLY HIGHER QUALITY
NUCLEAR COMPONENTS THATN THE SOVIETS COULD MANUFACTURE.
COMMENT: MORI ARGUED TO THE CONTRARY BUT NOT VERY CONVINC-
INGLY.

4. ALL SPECIFICATIONS HAVE BEEN RECEIVED N JAPAN EXCEPT
FOR THE CRDM SPEC WHICH MORI BELEIVES MAY BE A PROBLEM IN THE
SENSE OF REQUIRING A US LICENSING AGREEMENT. HE THINKS ON
THIS ITME MAY ASK THE JAPANESE TO USE THEIR OWN TECHNOLOGY
ON THIS ITEM, BUT HE FEELS THAT THE OTHER COMPONENTS, BEING
COMPLETELY USSR SPECIFIED, WILL NOT REQUIRE JAPANESE (OR
US) TECHNOLOGY. HE MADE NO INDICATION THATANY CONTACT HAD
BEEN MADE WITH US REACTOR MANUFACTURERS.

5. INsofar AS COCOM IS CONERNED, MITI WOULD HAVE TO APPROVE
EXPORT AND WOULD NOT BE FORMALLY APPROACHED UNTIL A LATER
TIME. UPON QUESTIONING MORI STATED THAT INFORMAL DISCSSIONS
HAVE BEEN HELD WITH CABINET ELVEL MINISTERS IN MITI AND FORN-
OFF TO BREAK GROUND FOR FUTURE MITI INVOLVEMENT.
COMMENT: SCIREP BELEIVES DEPARTMENT'S RATIONALIZATION IN LAST
SENTENCE PARA 1 REF 1) CORRECT, AT LEAST AT PRESENT TIME. GOJ
INVOLVEMENT MAY OR NOT TEMPER AGGRESSIVNESS.

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6. AFTER SECOND JAPANESE TEAM VISIT TO THE USSR, MORI
BELEIVES 80 PCT OF TEHCNICAL PROBLEMS RESOLVED, MAJOR OUTSTANDING
PROBLEM BEIG THE CRDM SPEC. REMAINING PROBLEMS ARE PRIMARILY
FINANCIAL. ON FINANCING SIDE, THE SOVIETS HAVE AGREED TO MAKE
SOME MONETARY PAYMENTS BUT ARE SEEKING OTHERAPPROACHES SUCH
AS EXCHANGES OF PRODUCTS. MORI DID NOT MENTION ENRICHING
SERVICES AND UPON BEING ASKED, SIDE-STEPPED QUESTION BUT SAID
SOVIETS SEEKING LONG TERM, SIDE-STEPPED QUESTION BUT SAID

SOVIETS SEEKING LONG TERM, LOW INTEREST FINANCING.

MORI UNDERSTANDS SOVIETS ALSO NEGOTIATING WITH ITALY AND UK
BELIEVES JAPANHEAVILY FAVORED.

7. MORI EXPRESSED WHAT HE BELEIVES TO BE GENERALLY ACCEPTED
UNDERSTANDING IN JAPANESE NUCLEAR COMMUNITY THAT NUCLEAR SALES
TO USSR WOULD BLUNT LEFT WING OPPOSITON TO NUCLEAR POWER
PROGRAM IN JAPAN, THEREBY RELEIVING SEVERE PROBLEM IN SITING
OF REACTORS AND FUEL CYCLE FACILITIES.

COMMENT: JAPANESE GENERALLY APPEAR TO BELIEVE THAT OVERWHELM-
ING PORTION OF OPPOSITION TO NUCLEAR POWER IS OF LEFTIST
ORIGIN, SCIREP UNCERTAIN OF WHETHER BELEIF SINCERE AND AN-
ALYSIS ACCURATE OR WHETHER IT IS SAID IN ASSUMPTION THAT
US LIKES TO HEAR IT. IN THIS SPECIFIC INSTANCE BEST GUESS IS
THAT THIS IS A TENTATIVE ARGUMENT BEING TRIED OUT TO SEE IF
IT WILL FLY.

8. MORI REQUESTED CONTINUED INFORMAL CONTACT AND FEEDBACK
AS TO USG FEELINGS. HE REITERATED SINCERE JAPANESE INTENTION
TO TAKE EVERY PRECUATION TO AVOID TRANSFERRRING JAPANESE OR
US NUCLEAR TECHNOLOGY TO THE USSR.
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